



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503  
SEPTEMBER 13, 1989

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**URGENT**

LEGISLATIVE REFERRAL MEMORANDUM

OCA 3204-89

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SUBJECT: Draft Statement of Administration Policy on H.R. 2748,  
"Intelligence Authorization Act for Fiscal Year 1990."

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than  
3:00 P.M., THURSDAY, SEPTEMBER 14, 1989.

Questions should be referred to SUE THAU/ANNETTE ROONEY  
(395-7300), the legislative analyst in this office.

*Ronald K. Peterson*

RONALD K. PETERSON FOR  
Assistant Director for  
Legislative Reference

Enclosure

cc: T. Thiele  
A. Donahue  
C. Beebe

C.B. Gray  
K. Scheid

**URGENT**

**DRAFT**

September 13, 1989  
(House)

H.R. 2748 - Intelligence Authorization Act for Fiscal Year 1989  
(Beilenson (D) California)

The Administration opposes enactment of H.R. 2748, unless the following changes are made:

- Delete Section 402 which would require the Director of Central Intelligence (DCI) to provide the Intelligence Committees, at their request, any inspection, investigation, or audit report prepared by the Agency's Inspection General (IG). Under the INS v. Chadha decision, congressional committee action of this nature was deemed unconstitutional. In addition, the requirement in section 402 for the DCI to list semianually for the Intelligence Committees all Agency IG reports, may violate the President's Article II powers to protect information important to the national security.
- Delete Section 601 which would expand the demonstration project authorizing pay supplements to FBI agents assigned from other locations to the high-cost New York City area. The expansion would apply the pay supplement to all FBI employees in New York, even to those who are not subject to mobility requirements. This would be inconsistent with the intent of the demonstration project, which was to address the difficulties of attracting certain FBI personnel to accept assignments requiring a move to New York. Rather than paying a supplement, recruiting and retention problems for employees already living in New York may be better addressed by using other pay authorities, such as special rates.
- Delete Section 703 which would require: (1) members of the President's Foreign Intelligence Advisory Board (PFIAB) be subject to a financial disclosure system, specific to the Board, and (2) establishment of regulations regarding release of classified information to members of PFIAB. These requirements are unnecessary because current procedures prevent PFIAB members and other officials from disclosing or using classified information for personal gain.